

Section 4.—Municipal Public Finance*

The existence of local self-governing units has always been characteristic of democratic societies, and this has been especially true in Canada. The struggle for responsible government was naturally accompanied by an agitation for local self-government in the cities and towns of Canada and, after responsible government had been conceded, a complete system of municipalities was established throughout the old Province of Canada by the Municipal Act of 1849.† Under the division of powers made by the British North America Act between the Dominion and the Provincial Governments, legislation regarding municipal government, being a local matter, was naturally assigned to the provinces, which differ considerably with regard to their types of municipal organization. Thus, in Prince Edward Island the only incorporated municipalities are the city of Charlottetown and seven incorporated towns. In British Columbia seven of the 33 cities have fewer than 1,000 people, while there are no towns at all and only 19 villages; again, in the same Province the rural districts are mainly administered from the Provincial capital, there being only 28 rural municipalities. Finally, in Saskatchewan and Alberta there exist local improvement districts (areas that have not as yet been organized into rural municipalities) where the taxes are levied, collected, and expended by the Provincial Governments. Such districts, however, may be regarded as on the way to becoming self-governing rural municipalities. Their statistics are, therefore, included in Table 50.

50.—Municipalities in Canada, by Provinces and Classes, 1938

Province	Cities	Towns	Villages	Counties	Other Rural Municipalities	Local Improvement Districts	Suburban Municipalities	Total
	No.	No.	No.	No.	No.	No.	No.	No.
P.E. Island.....	1	7	Nil	Nil	Nil	Nil	Nil	8
Nova Scotia.....	2	43	"	1	24	"	"	69
New Brunswick...	3	20	2	15	Nil	"	"	40
Quebec.....	26	107	303	76	1,048	"	"	1,560
Ontario.....	27	148	156	38 ²	571 ³	"	"	940
Manitoba.....	4	31 ⁴	22	Nil	112	"	5	174
Saskatchewan.....	8	82	382	"	302	82	Nil	856
Alberta.....	7	53	146	"	151	240	"	597
British Columbia..	33	Nil	19	"	28	Nil	"	80
Totals.....	111	491	1,030	129	2,236	322	5	4,324

¹ Nova Scotia has 18 counties, some of which are 'municipalities', while others are divided into 'municipalities'.

² There are 43 counties in all, geographically, but a number are united for municipal purposes.

³ Officially known as 'townships'.

⁴ Includes Flin Flon Municipal District.

Municipal Revenue from Taxation. ‡—As a result of accumulated borrowings to meet relief and other charges during the depression, the advance of interest charges against realizable taxation has brought about a condition in many municipalities where expenditures are out of all proportion to receipts, in spite of the fact that the trend of interest rates has been definitely downwards. It is natural under such conditions that the general subject of taxation should receive the increasing attention of the public. Of all forms of taxation, the imposition of

* Revised by Col. J. R. Munro, Chief of the Finance Branch of the Dominion Bureau of Statistics. This Branch issues statements on "Financial Statistics of Urban Municipalities of 10,000 Population and Over", on "Bonded Indebtedness of Municipalities", and on "Assessment Valuations of Municipalities". For a list of publications see Chapter XXVIII, Section 1, under "Finance".

† For a brief outline of the rise of the municipal system of Ontario, see the 1922-23 Year Book, p. 108.

‡ See the bulletin "Municipal Tax Levies and Receipts, by Provinces", obtainable from the Dominion Statistician.